



# NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY  
WESTERN DISTRICT OF MISSOURI

**TODD P. GRAVES**

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**FOR IMMEDIATE RELEASE**

*Note: A copy of the federal indictment, in PDF format, is available  
to download from the district's Web site at  
[www.usdoj.gov/usao/mow](http://www.usdoj.gov/usao/mow)*

## **GECKO COMMUNICATIONS OFFICERS INDICTED FOR \$12.5 MILLION TELEMARKETING FRAUD**

**KANSAS CITY, Mo.** – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that seven defendants, including the co-owner and six office managers of Gecko Communications, Inc., were indicted by a federal grand jury today for a \$12.5 million telemarketing fraud, wire fraud and money laundering.

**Zachery T. Whitehill**, 27, of Johnston, Iowa; **Christopher L. Carlson**, 35, of Glenwood, Iowa; **Jaime E. Cook**, 28, of Kansas City, Mo.; **Bradley L. Lovstad**, 42, of Muscantine, Iowa; **Steven T. Rice**, 43, of Kansas City, Mo.; **Jason R. Spencer**, 25, of Osceola, Iowa; and **Monty E. Wanless**, 28, of Kansas City, Mo.; were charged in a 24-count indictment returned by a federal grand jury in Kansas City.

**Whitehill** is the co-owner of Gecko Communications, while the other defendants were managers at various Gecko offices in Kansas City, Mo.; Shawnee, Kan.; Lawrence, Kan.; Des Moines, Iowa; Stanton, Iowa; and Brooklyn, Iowa.

Count One of the federal indictment alleges that, from August 1999 to Feb. 22, 2001, Gecko was engaged in a fraudulent telemarketing scheme by promising credit-challenged consumers that, in exchange for an advance fee, they would receive a major credit card and other benefits. In reality, the indictment says, vendors under contract with Gecko mailed a fulfillment package containing only an application for a credit card as well as various merchandise, travel coupons and other discounts. As a result of this scheme, the indictment says, consumers were defrauded of approximately \$12,523,704.

According to the indictment, Gecko purchased lists of credit-challenged persons from various brokers. Telemarketers allegedly made unsolicited telephone calls to those residents throughout the United States and made false offers to provide pre-approved credit cards to those consumers who agreed to debit their bank accounts for an amount ranging between \$159.95 and \$229.95. After consumers listened to the sales script and provided bank information (including account numbers and routing codes) in order to schedule an automated withdrawal of the advance fee, the indictment says, a Gecko verification officer tape recorded a statement with the consumer; with some exceptions, the officer informed the consumer that they would only receive an application for an unsecured credit card. Responses were developed in the event the consumer asked about the discrepancy between the promise (in the sales script) of a credit card and the statement (during the verification process) that an application for a credit card would be forthcoming.

The sales script used by Gecko allegedly contained material misrepresentations and misleading statements of fact, including:

- \* The representation that the telemarketers were employed with various entities, including Triple Gold Benefits, Alliance for Financial Security, Card America, Novella Credit Solutions, Key Credit Solutions, Credit Solutions, Vendon Credit Solutions, Alliance For Family Security, Titanium Financial Resources, Platinum 2000 and others, when in fact the telemarketers were employed with Gecko;

- \* The representation that company records indicated that the consumer had been approved to receive a major unsecured Visa or MasterCard, when in fact no such company records existed and no one had been approved for a credit card;

- \* The representation that the consumers' credit had been upgraded and the credit card will have a limit ranging between \$2,500 and \$5,000, when in fact no consumer had their credit upgraded and no credit card had been sent in the fulfillment package;

- \* The representation that the company was in the business of helping people establish credit by retaining counselors, when in fact Gecko was a telemarketing company in the business of soliciting telephone sales.

These representations were materially false, fraudulent and misleading, the indictment alleges, in that Gecko had no authority whatsoever to offer MasterCard or Visa credit cards, that Gecko maintained no connection to financial institutions that issued credit cards, and that Gecko did not in fact issue credit cards.

Counts Two through Twenty-two of the federal indictment alleges a series of e-mail messages between Gecko owners and managers that were transmitted for the purpose of executing the fraud scheme.

Count Twenty-three alleges that **Whitehill**, aiding and abetting another, deposited \$50,000 that was derived from the unlawful wire fraud into an account at Bank of America in Kansas City, Mo.

Count Twenty-four of the federal indictment is a forfeiture count, which would require **Whitehill** to forfeit to the government any property used to commit the alleged fraud scheme and

any proceeds of the alleged fraud scheme, including \$12,523,704.

The indictment also contains a notice of special findings, which alleges that the defendants used a person younger than 18 years of age to commit the telemarketing fraud.

Gecko was founded in January 1997 for the purpose of providing telemarketing services. At that time, Gecko conducted a telemarketing campaign on behalf of various charitable organizations, including the Wishing Well Foundation, The American Deputy Sheriffs Association, the Defeat Diabetes Foundation, the International Center for the Search and Recovery of Missing Children and the Fondest Wish Foundation. As part of that activity, according to the indictment, Gecko telemarketers misrepresented the percentage of the donated funds forwarded to the charity, and Gecko misrepresented the location of its telemarketers. In August 1999, Gecko initiated the telemarketing campaign concerning the credit card offer which is the subject of today's indictment.

Graves cautioned that the charges contained in the indictment are simply accusations, and not evidence of guilt. Evidence supporting the charges must be presented to a federal trial jury, whose duty is to determine guilt or innocence.

This case is being prosecuted by Assistant U.S. Attorney William L. Meiners. It was investigated by the Federal Bureau of Investigation, the Internal Revenue Service and the U.S. Postal Inspection Service.

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This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at

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